

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Auction of Priority Access Licenses for the	)	AU Docket No. 19-244
3550-3650 MHz Band (Auction 105)	)	

**COMMENTS  
of  
NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–The Rural Broadband Association (“NTCA”)<sup>1</sup> hereby submits these comments in response to the *Public Notice* issued by the Federal Communications Commission (“Commission”) in the above-captioned docket.<sup>2</sup> The *Public Notice* seeks comment on competitive bidding procedures for Auction 105, the auction of Priority Access Licenses (“PALs”) in the 3550-3650 MHz band. For the reasons discussed below, the Commission should modify the *Public Notice* proposal for Cellular Market Area (“CMA”)-level bidding<sup>3</sup> to ensure a competitive auction among bidders of all sizes for access to the valuable spectrum available in Auction 105.

As NTCA has stated in the past,<sup>4</sup> only larger and mid-size wireless providers have the resources to bid on large geographic areas in spectrum auctions or to compete against other large

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<sup>1</sup> NTCA is an industry association composed of nearly 850 rural local exchange carriers (“RLECs”). While these entities were traditional rate-of-return-regulated telecommunications companies and “rural telephone companies” as defined in the Communications Act of 1934, as amended, all of NTCA’s members today provide a mix of advanced telecommunications and broadband services, and many also provide video or wireless services to the rural communities they serve.

<sup>2</sup> *Auction of Priority Access Licenses for the 3550-3650 Band, Comment Sought on Competitive Bidding Procedures for Auction 105*, Public Notice, AU Docket No. 19-244, FCC 19-96 (rel. Sept. 27, 2019) (“*Public Notice*”).

<sup>3</sup> *Id.*, ¶¶ 29-33.

<sup>4</sup> Reply comments of NTCA–The Rural Broadband Association, GN Docket No. 17-258 (fil. Jan. 29, 2018), p. 4; Comments of NTCA–The Rural Broadband Association, GN Docket No. 17-258 (fil. Dec. 28, 2017), p. 5.

and mid-size providers at auction. Larger license territories thus often preclude small operators from participating in a spectrum auction and ultimately providing spectrum-based services to rural communities. Even for smaller operators that already have wireless subsidiaries and thus infrastructure (including backhaul) in place, expanding existing footprints to build out to license areas that cover an entire CMA would be impossible for most if not all of these providers. Thus, the *Public Notice*'s statement that CMA-level bidding would be open to any bidder rings hollow.<sup>5</sup>

Moreover, larger carriers understandably have the incentive to focus on the more densely populated and profitable portions of license areas in the face of shareholder demands for quicker returns, and it is therefore unlikely that the most sparsely populated portions of the CMAs at issue will ever see the spectrum-based services that this auction is intended to promote. By contrast, smaller operators such as NTCA members are more focused on using every “tool in the toolkit” to bring high-quality communications service to the rural communities in which they live. Further, the propagation characteristics of this spectrum band make it particularly well suited for the targeted, local applications typically deployed by NTCA's members. The Commission should therefore look at every turn to make these providers' participation and success in any spectrum auction more likely, and an adjustment of the Public Notice proposal can do just that.<sup>6</sup>

While the ability to bid on an aggregation of counties (or CMA-level bidding) may benefit carriers interested in serving larger geographic areas, typically near large metropolitan

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<sup>5</sup> *Public Notice*, ¶ 25.

<sup>6</sup> *Id.*, ¶ 33. (“We also seek comment on whether there are modifications that should be made to our proposal for CMA-level bidding that would assist auction participation by smaller entities interested in county-sized licenses.”)

areas, NTCA has consistently advocated for licensing rules in Auction 105 that accommodate a wide range of potential users.<sup>7</sup> Unfortunately, the proposal as set forth in the *Public Notice* misses the mark in that respect. More specifically, a review of the 172 CMAs in which the Commission proposes to allow bidder-invoked CMA-level bidding includes counties that contain relatively rural areas served by or near to smaller operators such as those represented by NTCA. Some of the counties involved may be within these smaller operators' reach if available on a county-wide basis. Yet, once swept up into neighboring counties and aggregated into CMAs, they may be out of reach both because the smaller operator cannot compete at auction against a larger carrier with much greater resources and may not, even if successful at auction, have the ability to muster the resources to deploy and operate a wireless network across that broader geographic area.

Thus, consistent with the goal of promoting access to spectrum-based services for consumers all across the nation,<sup>8</sup> the Commission should adjust the CMA-level bidding proposal as contained in the *Public Notice*. Specifically, if the Commission adopts any CMA-level bidding proposal, the Commission should exclude those CMAs that include counties with population densities equal to or less than 100 persons per square mile.<sup>9</sup> NTCA's review of the 172 CMA's that fall within the *Public Notice* proposal<sup>10</sup> indicates that such a cutoff would

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<sup>7</sup> See, n. 4.

<sup>8</sup> 47 U.S.C. §§309(j)(3)(A)(B) (stating that the Commission's spectrum auction rules should "promot[e] economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women.").

<sup>9</sup> NTCA has no position on whether CMA-level bidding is appropriate in areas with population densities greater than 100 persons per square mile.

<sup>10</sup> *Public Notice*, n. 67.

maintain county-level bidding for more rural areas and promote a more robust and competitive auction that will better deliver advanced services to rural and urban users alike. Such a structure would also be consistent with a definition of “rural” that has long informed the Commission’s spectrum policies.<sup>11</sup>

If adopted, this surgical change to the Auction 105 rules as proposed in the *Public Notice* would promote the availability of services in rural areas as well as the goals of a more competitive auction among bidders large and small. Such a structure does not preclude larger providers from seeking to aggregate these counties into larger service areas, but those providers should not be given a built-in advantage to the detriment of smaller operators and the rural consumers they may wish to serve. Ultimately, adoption of the proposal contained herein strikes the right balance between operators of all sizes and would promote the most effective and efficient use of the valuable spectrum available via Auction 105.



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<sup>11</sup> See *Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies To Provide Spectrum-Based Services*, WT Docket No. 02-381, FCC 04-166 (rel. Sept. 27, 2004).